

**ASSEMBLY BILL**

**No. 2711**

**Introduced by Assembly Member Parra**

February 24, 2006

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An act to amend Section 33521 of the Financial Code, relating to payment instruments.

LEGISLATIVE COUNSEL'S DIGEST

AB 2711, as introduced, Parra. Payment instruments.

Existing law, the Payment Instruments Law, governs the sale of payment instruments, as defined. Existing law, among other things, prohibits a licensee, as defined, or its agents, as defined, from selling any payment instrument unless the payment instrument is approved as to form by the Commissioner of Financial Institutions.

This bill would make technical, nonsubstantive, and conforming changes to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 33521 of the Financial Code is  
2     amended to read:  
3     33521. (a) No licensee shall, nor shall any licensee cause or  
4     permit any of its California agents to, sell in this state any  
5     payment instrument issued by ~~such~~ the licensee unless ~~such~~ the  
6     payment instrument shall have first been approved as to form by  
7     the commissioner.

1 (b) If the commissioner finds, with respect to an application by  
2 a licensee for approval as to form of a payment instrument to be  
3 issued by ~~such~~ *the* licensee, all of the following:

4 (1) That the payment instrument clearly identifies the licensee  
5 as the issuer of the payment instrument.

6 (2) That the payment instrument is not misleading in any  
7 material respect.

8 (3) That the payment instrument complies with all applicable  
9 laws.

10 The commissioner shall approve the application and shall, after  
11 all conditions precedent to the approval of the payment  
12 instrument as to form have been fulfilled, approve the payment  
13 instrument as to form. If, after notice and a hearing, the  
14 commissioner finds otherwise, the commissioner shall deny the  
15 application.